

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 IO-10 CAB-05 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 RSC-01 FAA-00 L-02

/045 W

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R 221237Z NOV 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 4516

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMCONSUL MONTREAL

AMEMBASSY NICOSIA

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

UNCLAS SECTION 01 OF 02 PARIS 27952

FOR CAB AND STATE

E.O. 11652: N/A

TAGS: EAIR, XT

SUBJECT: CIVAIR: NEW ECAC MINIMUM CHARTER RATES

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1. ECAC SECRETARIAT HAS ASKED EMBASSY FORWARD FOLLOWING TEXT OF LETTER DATED NOVEMBER 21 FROM VERES TO CAB CHAIRMAN TIMM, WITH COPY TO MEADOWS (EB/AV): "DEAR MR. TIMM: AT A RECENT MEETING OF THE DIRECTORS GENERAL OF CIVIL AVIATION OF ECAC MEMBER STATES MY COLLEAGUES AND I DISCUSSED THE QUESTION OF NORTH ATLANTIC CHARTER RATES. WE CONFIRMED OUR POSITION AS STATED ON SEVERAL PREVIOUS OCCASIONS AND DURING TRIPARTITE MEETINGS WITH CANADIAN AND UNITED STATES REPRESENTATIVES IN PARIS, MONTREAL AND OTTAWA IN MAY, SEPTEMBER AND OCTOBER 1974 THAT THERE IS A NEED FOR AN INTEGRATED AND STABLE CHARTER PRICE STRUCTURE AND THAT A MINIMUM CHARTER PRICE REGIME SHOULD BE WORKED OUT THROUGH NEGOTIATIONS BETWEEN THE CARRIERS THEMSELVES, SCHEDULED AND NON-SCHEDULED. WE CONTINUE TO BELIEVE THAT IF THE CARRIERS FAIL TO AGREE AMONG THEMSELVES ON SUCH A MINIMUM CHARTER PRICE REGIME, GOVERNMENTS SHOULD IMPOSE MINIMUM CHARTER RATES TO PRESERVE THE ECONOMIC VIABILITY OF NORTH ATLANTIC AIR SERVICES WHILE SAFEGUARDING INTERESTS OF THE TRAVELLING PUBLIC.

IN VIEW OF THE CARRIERS INABILITY TO REACH AGREEMENT ON MINIMUM CHARTER RATES AFTER LONG AND EXHAUSTIVE NEGOTIATIONS AND IN ORDER TO AVOID A LONGER PERIOD OF UNCERTAINTY, ECAC EXPERTS HAVE REVIEWED THE COMMON ECAC POLICY WITH RESPECT TO PRICE CONTROL OR SURVEILLANCE OF ECAC ORIGINATING NORTH ATLANTIC CHARTERS FROM 1 APRIL 1975. THEY HAVE JUST FORMULATED THE FOLLOWING MINIMA WHICH I AM NOW RECOMMENDING TO THE 20 ECAC MEMBER STATES:

- 1) MINIMUM ABC RETAIL RATES PER SEAT STATUTE-MILE:
 - A) US CENTS 3.57 FROM 1 APRIL TO 31 MAY 1975,
FROM 16 SEPTEMBER TO 31 OCTOBER 1975
AND FROM 11 DECEMBER TO 31 DECEMBER 1975
 - B) US CENTS 4.39 FROM 1 JUNE TO 15 SEPTEMBER 1975
 - C) US CENTS 3.34 FROM 1 NOVEMBER TO 10 DECEMBER
1975 AND FROM 1 JANUARY TO 31 MARCH 1976.

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- 2) MINIMUM WHOLESALE CHARTER PRICE PER SEAT

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INFO OCT-01 EUR-12 ISO-00 CAB-05 CIAE-00 COME-00 DODE-00

 DOTE-00 INR-07 NSAE-00 RSC-01 FAA-00 IO-10 L-02 /045 W

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R 221237Z NOV 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 4517

INFO AMEMBASSY ANKARA

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AMEMBASSY OSLO

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AMEMBASSY REYKJAVIK

AMEMBASSY ROME

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AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

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STATUTE-MILE:

- A) USCENTS 3.05 FROM 1 APRIL TO 31 MAY 1975,
FROM 16 SEPTEMBER TO 31 OCTOBER 1975, AND
FROM 11 DECEMBER TO 31 DECEMBER 1975

- B) US CENTS 3.75 FROM 1 JUNE TO 15 SEPTEMBER 1975

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C) US CENTS 2.85 FROM 1 NOVEMBER TO 10 DECEMBER
1975 AND FROM 1 JANUARY TO 31 MARCH
1976.

NOTE: THE FIGURES QUOTED IN US CURRENCY RELATE
TO THE US DOLLAR AT ITS VALUE EXPRESSED IN THE
INTER-CARRIER CONFERENCE DRAFT AGREEMENT.

I AM SENDING A SIMILAR MESSAGE TO THE CANADIAN
TRANSPORT COMMISSION. SINCERELY, VICTOR VERES
PRESIDENT OF ECAC"

2. FYI - WE UNDERSTAND FROM ECAC SECRETARIAT
THAT MINIMUM CHARTER RATES WHICH VERES IS NOW
"RECOMMENDING" TO ECAC MEMBER STATES ARE THOSE
WORKED OUT BY EXPERTS ALONG LINES GENERAL
INSTRUCTIONS AGREED UPON AT DIRECTOR GENERALS
MEETING EARLIER THIS WEEK. RECOMMENDATION OF
VERES IN HIS CAPACITY AS ECAC PRESIDENT WILL NOW
BE SUBJECT OF MAIL VOTE AMONG ECAC MEMBER STATES
WHEREUPON, IF APPROVED, RATES WILL HAVE FORCE
OF FORMAL RECOMENDATION OF ECAC SETTING FORTH
GUIDELINES FOR MEMBER STATES.

RUSH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: CIVIL AVIATION, SUPPLEMENTAL AIRLINES, AIR FARES
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Draft Date: 22 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Review Content Flags:
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Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 NOV 2002 by maustmc>; APPROVED <14-Nov-2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: NEW ECAC MINIMUM CHARTER RATES UNCLASSIFIED
TAGS: EAIR, XT, ECAC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005